CONSOLIDATED GAS EARNINGS DECLINE

Report of 1919 Shows Decrease From 1918 Figures — Last Year's Net Is \$4,112,440.

SHORTAGE IS \$2,909,356

President Attributes Loss to Higher Cost of Producing and Distributing.

The annual report of the Consolidated Gas Company, covering its operations during 1919, was made public yesterday and shows a decided drop in earnings compared with those of 1918. The company's net income, after interest charges, taxes, &c., was \$4,112,440, or \$4.11 a share on its outstanding capital stock, against \$5,702,400, or \$5.69 a share in 1918. After the payment of the regular dividends on its capital stock there was a deficit at the end of the year of \$2,909,356. The deficit at the end of 1918 was \$1,292,393. At the close of 1917 the company had \$753,922 surplus.

The cause of the big decline in earnings was attributed by George B. Cortelyou, president of the Consolidated, to the increased cost of manufacturing and distributing gas, without a proportionate increase in the price received by the company for its product. In his report to the stockholders of a year ago he predicted that the 1919 earnings would be still further impaired, notwithstanding the end of the war. In addressing the stockholders yesterday he said that the results for the year were "even worse than anticipated, due not only to the fact that increases in the cost of materials and labor which occurred progressively during the year 1918 and which affected only a part of the year, affected the entire year's operations in 1919, but to the fact that the prices of materials, which during the first few months of 1919 took a downward trend, increased as the year advanced until at the close of the year the prices of many materials, including gas oil, were higher than at any time during the war."

The present cost of manufacturing and distributing gas, Mr. Cortelyou declares, is greater than at any time since war was declared, while the prospects for a bettering of this condition are not good. "The company," he said, "has just made a new contract to purchase gas oil at 7 cents a gallon, or a cent increase compared with the price that it has been paying during the last year, and estimated that the increased cost of that item alone would add more than \$500,000 to the company's manufacturing costs in 1920."

In his report President Cortelyou touched lightly on the company's fight to have the 80 cent gas law annulled. He informed its stockholders that hearings were in progress and that the company has completed the submission of its evidence. As for a decision he expressed the opinion that it might come "at an early date and the company believes that the evidence submitted in the case justifies a favorable decision." The company made a record mark in maximum day's output on December 18, 1919, President Cortelyou said, when 172,249,000 cubic feet of gas were produced by all of the affiliated companies of the Consolidated.

Because of that demand, the company has decided to increase its plant capacity and has executed a contract for the erection of an additional water gas plant having a daily capacity of 30,000,000 cubic feet at Astoria. The total amount of gas sent out by the Consolidated and its affiliated companies during 1919, the report shows, exceeded that of the preceding year by 2.69 per cent. The extreme variations of the monthly output occurred in January and December. In January, 1919, the increase in output, compared with that of the same month of 1917, was 12.09 per cent.

"The gas sales of the company," the report goes on, "increased during 1919, as compared with the previous year, by 547,193,300 cubic feet, or 3.04 per cent. Its gas sales and those of its allied gas companies in Manhattan increased during the year 547,879,400 cubic feet, or 3.01 per cent. In The Bronx the loss during 1919 in the volume of sales amounted to 58,646,400 cubic feet, or 1.20 per cent. The combined gas sales of the company and its allied companies in Manhattan, The Bronx, Queens and Westchester county amounted to 686,594,100 cubic feet more in 1919 than they did in 1918, a gain of 2.08 per cent."

NET PROFITS SHOW GAIN.

Hart, Schaffner & Marx Report for Last Fiscal Year.

The annual report of Hart, Schaffner & Marx for the year ended on November 30, 1919, made public yesterday, shows net profits, after taxes, of \$2,200,218, or \$13.11 a share on the common stock after the deduction of preferred dividends. This compares with \$8.30 a share earned on the common stock in the preceding year. Out of this total \$232,689 in preferred dividends and \$600,000 in common dividends were distributed, making the surplus for the year \$1,367,529 against a surplus of \$646,388 in 1918.

"The position of the company," President Harry Hart declared in his report to the stockholders, "is strong in every particular. Ample provisions have been made for depreciation, reserves and every known liability. Liabilities represent only accrued payroll, merchandise recently received or in transit, and Federal and other taxes which, although included in current liabilities, are payable during 1920. Profits, while larger than last year, are not in proportion to a large increase in volume. Profit making on the fall season was difficult, owing to unanticipated wage advances."

FORM TOOL CORPORATION.

Williams Company to Be Taken Over by Delaware Concern.

The Williams Tool Corporation has been formed in Delaware to take over the business and assets of the Williams Tool Company of Erie, the principal product of which for the last eighteen years has been a pipe threading machine. The capital stock of the new company consists of \$300,000 of 8 per cent. cumulative preferred stock and 20,000 shares of common stock without par value. The company's net earnings for four years averaged \$80,308 and it is said, at the rate of more than three times the preferred dividend requirements and shows earnings of more than 12 per cent. on the issue price of the common, \$22 a share.

A public offering of the shares is being made by Horace W. Davis & Co. and Glover & MacGregor of Pittsburg, the preferred stock being offered at \$100 a share and the common at \$22.

OFFER \$15,000,000 KENNECOTT NOTES

Banking Syndicate, Headed by Morgans, Will Sell Ten Year 7 Per Cents.

TO BE SOLD TO YIELD 7 1-8

Issue to Pay \$12,000,000 Notes Due March 1 and Supply Working Capital.

A syndicate of bankers headed by J. P. Morgan & Co. will offer publicly this morning \$15,000,000 of Kennecott Copper Corporation ten year secured seven per cent. gold bonds at 99½ and interest to yield about 7⅛ per cent. The proceeds of the issue will be used to pay \$12,000,000 of notes, maturing on March 1, and provide additional working capital. Other members of the syndicate are the National City Company, the First National Bank, the Guaranty Trust Company, the Bankers Trust Company, William A. Read & Co., White, Weld & Co., Kissel, Kinnicutt & Co., Hayden, Stone & Co., and the Illinois Trust and Savings Bank, the First Trust and Savings Bank and the Central Trust Company of Illinois of Chicago.

Stephen Birch, president of the Kennecott Copper Corporation, in a letter to the bankers, estimates the company's net revenue for 1919 as \$6,293,169, without including profit amounting to \$1,200,000 on approximately 15,000,000 pounds of copper sold in the latter part of 1919, but not settled for them. Those earnings included receipts from securities owned. Such earnings were \$15,718,507 in 1918, and \$20,343,586 in 1917.

In the late part of 1919, according to Mr. Birch, a buying movement in copper metal started and has continued into 1920. Sales of copper by the corporation in 1919 exceeded its production of that year. The upward trend in copper sales was shown by figures given by Mr. Birch as follows: First quarter, 2,601,000 pounds; second quarter, 9,044,000 pounds; third quarter, 8,696,000 pounds; fourth quarter, 20,355,000 pounds.

Remarks of President.

Other remarks in the letter issued by Mr. Birch follow: "The revenue of Kennecott Copper Corporation, including revenue from investments, aggregated \$79,292,500 during the period from May 27, 1915, to December 31, 1919. During this period the price for copper went as high as 35 cents per pound, and in the year ended December 31, 1916, the net revenue of the corporation was \$29,370,000. These earnings were of course abnormally large. After the armistice buying of copper fell off sharply and for some months ceased almost entirely. With the decline in price to about 18 cents as compared with a price of 17 cents or better obtained by producers of copper during most of the year 1918 the demand for copper reasserted itself and during the latter part of the year 1919 the sales of copper for prompt delivery and delivery during the early part of 1920 were very large.

"Utah Copper Company, of whose stock Kennecott Copper Corporation owns about 25 per cent. (including the 300,000 shares pledged to secure this issue), owns the largest producing porphyry copper property in the world. It also owns 50 per cent. of the capital stock of Nevada Consolidated Copper Company."

Utah Copper's Net Revenue.

"During the five years ended December 31, 1918, Utah Copper Company's net revenue, including receipts from Nevada Consolidated Copper Company, but before deducting depletion charges amounted to \$112,311,600, or \$69.14 per share of stock, of which \$71,025,852, or \$43.75 per share, was distributed to stockholders. During this period the average cost of producing copper was 9.72 cents per pound. Since 1910 the company has distributed not less than \$6 per share per annum on its capital stock and for the last four years not less than \$6 per share per annum.

"At the present rate of \$6 per share per annum the revenue from the 300,000 shares pledged under these bonds is \$3,600,000, as compared with \$1,050,000 interest charges on these bonds. Utah Copper Company has no funded debt or preferred stock. Its working assets on November 28, 1919, amounted to \$34,669,000, including \$18,021,000 cash and marketable securities (mostly Liberty bonds).

Current Assets \$17.29 a Share.

"Copper on hand at that date amounted to approximately \$7,500,000 pounds valued at \$12,442,000, which includes 78,340,000 pounds carried at a value of 13½ cents per pound, about 60 per cent. of which has been sold for current and future delivery at a price in excess of 18 cents per pound. Working liabilities for payrolls, smelting charges, accrued taxes, &c., amounted to \$6,576,000, leaving net working or current assets of \$28,092,000, equivalent to \$17.29 per share of outstanding stock.

"Upon the sale of the present issue of bonds and the redemption of the notes maturing March 1, 1920, the net working capital of Kennecott Copper Corporation, based upon the balance sheet as of November 30, 1919 (the latest available), would be in excess of \$10,924,000. This amount does not include any of the advances amounting to \$20,000,000 made to subsidiary companies for any portion of their working capital. Included in this statement of working capital are 36,486,000 pounds of copper, about 60 per cent. of which has been sold at prices in excess of 18 cents per pound; after deducting delivery and selling charges the corporation should receive on this sold copper approximately \$1,760,000 in excess of its book value. On the same basis (18 cents per pound) the unsold copper is worth \$1,150,000 more than the inventory price."

SHERWIN-WILLIAMS ISSUE.

Part Not Taken by Shareholders to Be Sold to Public.

Holders of 6 and 7 per cent. preferred shares of the Sherwin-Williams Company, which makes paints and varnishes, have been given an opportunity to subscribe to \$15,000,000 of its new 7 per cent. preferred stock at par. William A. Read & Co., the Cleveland Trust Company and Borton & Borton have underwritten that offering.

Those bankers are forming a syndicate to make a public offering of the shares not taken by the holders of the company's outstanding preferred. The company was established in 1866 and has an unbroken dividend record of fifty-five years. It is entirely self-contained, from raw materials to finished products, including its own lead and zinc mines, linseed oil and chemical plants, smelters and tin can factories.

The proceeds of the sale will be used for the extension of the company's plant to meet requirements of its expanding business and for acquisition of additional properties. The company shows a steady and consistent growth in earnings. In 1915 its net profits were \$2,017,158. In 1919 they were \$3,159,736. On completion of the present financing, the financial statement of the company will show net quick assets of \$125 and net tangible assets of \$206 a share of its outstanding preferred stock.

TRANSACTIONS ON STOCK EXCHANGE

Continued from Preceding Page

Range, 1919. High.	Low.	Div. in $.	Sales.		Open.	High.	Low.	Last.	Net Change.
69¼	69⅝	..	18400	Pierce-Arrow Motor	67¼	71⅛	66⅝	69⅝	+ 1⅞
105	107	8	100	Pierce-Arrow Motor pf	105	105	105	105	..
19⅜	19¾	..	4000	Pierce Oil Corp	18⅞	20⅛	18⅞	19⅝	+ ⅜
93½	94⅞	6	200	Pierce Oil Corp pf	94	94	94	94	..
62⅜	62½	5	300	Pittsburg Coal of Pa	62½	62½	62½	62½	+ ¼
23¾	24	..	200	Pond Creek Coal	23¾	23¾	23¾	23¾	+ ¼
98	99	8	300	Pressed Steel Car	97	98⅛	97	98⅛	+ 2
114⅝	115¼	8	700	Pullman Co	115	115	115	115	+ ¼
90	90¾	6	1300	Punta Alegre Sugar	90¼	90¾	90	90¼	..
98	99¾	8	200	Railway Steel Spring	99	100⅛	99	99⅞	+ ⅞
21⅛	21⅜	2	500	Ray Consol Cop	21⅛	21⅜	21⅛	21⅜	+ ¼
75	76	4	2000	Reading	75	76⅛	75	75¾	+ ¾
86	88	..	400	Remington Typewriter	86	90	86	88	+ 2
52½	55	..	200	Republic Motor Truck	52	52½	52	52½	+ ½
114⅛	114⅜	6	53900	Republic Iron & Steel	112⅛	115½	111⅞	114⅜	+ 2
109	110¼	\$.70	24100	Royal Dutch Co N Y	108⅛	110	108⅛	110	+ 1⅜
15⅝	15⅞	1	100	St Joseph Lead	15¾	15¾	15¾	15¾	..
18½	19	..	1500	St Louis & San Fran	18½	18⅞	18½	18⅞	+ ¼
72	72½	6	600	Savage Arms Corp	72¼	73	71	72¼	+ 1¼
19⅜	19½	..	2800	Saxon Motor	18⅞	19⅝	18¾	19¼	+ ⅝
7	7½	..	200	Seaboard Air Line	7⅛	7⅛	7	7	— ½
224	227	8	100	Sears-Roebuck Co	225	225	225	225	+ ¼
224	227	8	50	*Sears-Roebuck Co	224¾	224¾	224¾	224¾	..
85¼	86	..	5800	Shell Trans & Trading	85	86½	84¼	86¼	+ ⅞
43½	43¾	..	11800	Sinclair Consol Oil	43¼	43¾	42½	43¾	+ ¾
81	81½	6	4800	Sloss-Sheffield S & I	81	82¼	79½	81	..
100	100⅛	6	2600	Southern Pacific	100	100½	99⅞	100	+ ⅛
54	54⅛	5	300	Southern Railway pf	54¾	54¾	54½	54½	+ ½
75¼	76¼	4	1300	Stromberg Carburetor	72⅝	76	72⅝	76	+ 2½
103⅞	104⅛	7	39900	Studebaker Corp	101	105¼	100½	104	+ 2½
125	129½	5	400	Stutz Motor	126	128	126	128	+ 3
46	49⅝	3	900	Superior Steel Corp	47	49	47	49	+ 2
11⅞	12	..	800	Tenn Copper & Chem	11¾	12	11¾	11⅞	— ⅛
203	203½	10	5500	Texas Co	201	204⅞	201	203	+ 2
..	..	..	100	Texas Co full pd sub rcts	193½	193½	193½	193½	+ ½
36½	37	..	500	Texas & Pacific	36½	37¼	36½	37¼	+ 1¼
13½	14	..	200	Third Avenue	14	14	14	14	— ¼
..	..	8	200	Tide Water Oil rts	21½	21½	21½	21½	..
91	91¼	6	2600	Tobacco Products	91	91⅝	90½	91	..
103¾	105¼	7	100	Tobacco Products pf	104⅛	104⅛	104⅛	104⅛	+ 1⅛
26⅝	26⅞	..	6800	Transcontinental Oil	26¼	26⅞	26	26⅞	+ ⅝
62	63	5	100	Transue & Williams Steel	62¼	62¼	62¼	62¼	+ ¼
34	40	1	200	Twin City Rapid Transit	35	35	35	35	+ ⅛
34	34¼	..	2600	Union Oil	34	34⅛	33¾	34	— ¼
122	122¼	10	1800	Union Pacific	122	122	121¾	122	— ⅛
49	49¼	4	600	United Alloy Steel	49	49	49	49	..
142½	143	7	100	United Drug Co	143	143	143	143	..
50½	51½	3½	200	United Drug Co 1st pf	51⅛	51⅛	51	51	— ⅞
195	197	10	300	United Fruit Co	194½	195½	194½	195½	— 1
11½	12½	..	700	United Ry Investment	12⅛	12⅛	12¼	12½	..
25	29	..	1900	United Ry Investment pf	28¾	29¼	28¾	28⅞	+ ⅝
88⅜	88½	3	14900	United Retail Stores	87⅝	89¼	86½	88¼	+ ½
22	23½	..	400	U S Cast Iron Pipe & Fdy	21⅞	22½	21⅞	22½	+ 2¼
54½	57	5	100	U S Cast Ir Pipe & Fy pf	54¼	54¼	54¼	54¼	+ ¼
30	31	..	300	U S Express	30¼	30¼	30¼	30¼	..
69	69⅝	2	3200	U S Food Prod Corp	66	69⅛	65½	69½	+ 3½
108	108⅜	8	10000	U S Industrial Alcohol	106⅝	109	106⅝	108⅛	+ ⅞
53	54	..	1500	U S Realty & Imp	53	53¾	52⅛	53½	+ 1
126	126¾	8	11000	U S Rubber	124¼	127	124¼	126½	+ 1½
113¾	114	8	100	U S Rubber 1st pf	114	114	114	114	..
70	70¾	6	400	U S Smelting, R & M	69¼	70½	69¼	70	+ ⅝
106⅛	106¼	5	46200	U S Steel	105½	106⅝	105⅛	106⅛	+ ⅝
115	115¼	7	200	U S Steel pf	115	115¼	115	115¼	+ ¼
75⅞	76	6	700	Utah Copper	76	76	75½	75⅞	+ 1⅜
9¾	10	..	200	Utah Securities Corp	9⅞	10	9⅞	10	+ ⅛
47½	47¾	..	1200	Vanadium Corp	47¼	47¾	47	47⅝	+ ⅛
66	66¼	4	500	Va-Caro Chemical	65⅞	66½	65⅞	66¼	+ ⅜
107	111	8	100	Va-Caro Chemical pf	111	111	111	111	..
22	22¾	..	100	Wabash pf A	22¾	22¾	22¾	22¾	+ ⅜
52	52½	..	400	Wells Fargo Express	52½	52½	52	52	— ¾
11⅛	11⅝	..	500	Western Maryland	11¼	11⅜	11	11⅛	+ ⅛
23	25	..	100	Western Pacific	23¼	23¼	23¼	23¼	— ¾
60	62	4	100	Western Pacific pf	60	60	60	60	+ 1
86½	87	7	100	Western Union Tel	86¼	86¼	86¼	86¼	..
53	53½	4	1100	Westinghouse E & M	53	53⅝	53	53¼	+ ⅞
11⅞	12¼	..	100	Wheeling & Lake Erie	11⅝	11⅝	11⅝	11⅝	..
61¼	61½	4	2100	White Motor	59⅝	61⅛	59⅝	61⅜	+ ⅞
28½	28¾	1	19700	Willys-Overland	28⅝	28⅝	27⅝	28½	— ½
75¼	75½	5	200	Wilson & Co	75	75½	75	75½	+ ½
125	127	8	200	Woolworth, F W	126	126	126	126	..
92	93	..	4500	Worthington Pump	93	93⅝	92¼	92½	+ ¾

*Odd lots.

Pennsylvania Crude Oil Market.

OIL CITY, Pa., Jan. 26.—Credit balances, \$5.25; runs, 56,704; average, 45,571. Shipments, 36,042; average, 37,998.

\$300,000 Gift for Chicago Zoo.

CHICAGO, Jan. 26.—The gift of a tract of land valued at \$300,000 to the Cook County Forest Preserve by Mrs. Edith Rockefeller McCormick was accepted today by the Forest Preserve board. The land will be converted into a zoological garden.